Issues and Challenges Faced By Corporate Social Responsibility In Community Development, India Human Resource Development

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ABSTRACT: Over the last few years an increasing number of companies worldwide started promoting their business through corporate social responsibility strategies because the customers, the public and the investors expect them to act sustainable as responsible. In some cases, Corporate social responsibility is refers to companies which are interacts with social and environmental concerns into their business operations and interactions with their own employees, customers, shareholders, investors, local communities, government on a voluntary basis. The aim of this paper is to find out- Issues and challenges faced by corporate social responsibility strategies in community development in India. The study includes the evolution over time changes in Indian cultural norms of corporate social responsibility. The study which reviews the four phases which runs with different approaches towards corporate social responsibility. The objective of the present study is to identify the issues and challenges faced in community development by corporate social responsibility in India. Data has to be collected from multiple source of evidence in addition to books, web sites and journals. This paper includes some of the positive outcomes that can arises when business adopt a policy of social responsibility. This paper studies the concepts of companies benefit from the corporate social responsibility strategies. It reviews some of the special drives pushing business towards corporate social responsibility strategies, a key challenge facing business is the need for more reliable indicators of progress in the field of corporate social responsibility, along with the dimensions of corporate social responsibility strategies. The study implies the key issues identified by kingfisher strategies in their companies' strategies. Internationally the government moving towards the certain elements of corporate social responsibility with regards in protection of environment.

I.   INTRODUCTION

Corporate Social Responsibility is a concept whereby companies integrate social and environmental concerns into their business operations and in their interaction with their stakeholders (employees, customers, shareholders, investors, local communities, government), on a voluntary basis. Corporate responsibility programs can help businesses entice customers, attract and retain talent, assure investors, reduce operating costs, improve employee morale and enhance a company's reputation. However, business owners should understand the benefits and limitations of corporate responsibility programs in order to choose an initiative that benefits the community and the company. Corporate responsibility programs must be embraced and supported by top management and woven into company culture and operations. Stakeholders will soon become skeptical of one-time initiatives or programs that come and go. Convincing shareholders or other financial decision makers to allocate resources to a program designed to benefit something other than the company's bottom line can be the first obstacle a small business owner must overcome. Small businesses owners should not assume that customers and community members know about the company's investment in socially responsible programs.

Among other countries India has one of the richest traditions of Corporate Social Responsibility. Much has been done in recent years to make Indian Entrepreneurs aware of social responsibility as an important segment of their business activity but Corporate Social Responsibility in India has yet to receive widespread recognition. If this goal has to be realized then the Corporate Social Responsibility approach of corporate has to be in line with their attitudes towards mainstream business- companies setting clear objectives, undertaking potential investments, measuring and reporting performance publicly.

The Four Phases of CSR Development in India

The history of Corporate Social Responsibility in India has its four phases which run parallel to India's historical development and has resulted in different approaches towards Corporate Social Responsibility. However the phases are not static and the features of each phase may overlap other phases.

The First Phase

In the first phase charity and philanthropy were the main drivers of Corporate Social Responsibility. Culture, religion, family values and tradition and industrialization had an influential effect on Corporate Social Responsibility. In the pre-industrialization period, which lasted till 1850, wealthy merchants shared a part of their wealth with the wider society by way of setting up temples for a religious cause. With the arrival of colonial rule in India from 1850s onwards, the approach towards Corporate Social Responsibility changed. The industrial families of the 19th century such as Tata, Godrej, Bajaj, Birla, Singhania were strongly inclined towards economic as well as social considerations. However it has been observed that their efforts towards social as well as industrial development were not only driven by selfless and religious motives but also influenced by caste groups and political objectives.

The Second Phase

In the second phase, during the Independence movement, there was increased stress on Indian Industrialists to demonstrate their dedication towards the progress of the society. According to Gandhi, Indian companies were supposed to be the "temples of modern India". Under his influence businesses established trusts for schools and colleges and also helped in setting up training and scientific institutions. The operations of the trusts were largely in line with Gandhi's reforms which sought to abolish untouchability, encourage empowerment of women and rural development.

The Third Phase

The third phase of Corporate Social Responsibility (1960–80) had its relation to the element of "mixed economy", emergence of Public Sector Undertaking and laws relating labor and environmental standards. During this period the private sector was forced to take a backseat. The public sector was seen as the prime mover of development. Because of the stringent legal rules and regulations surrounding the activities of the private sector, the period was described as an "era of command and control".

The Fourth Phase

In the fourth phase (1980 until the present) Indian companies started abandoning their traditional engagement with CSR and integrated it into a sustainable business strategy. In 1990s the first initiation towards Globalizations and Economic Liberalization were undertaken. Controls and licensing system were partly done away with which gave a boost to the economy the signs of which are very evident today. Increased growth momentum of the economy helped Indian companies grow rapidly and this made them more willing. Globalization has transformed India into an important destination in terms of production and manufacturing bases of TNCs are concerned. As Western markets are becoming more and more concerned about and labour and environmental standards in the developing countries, Indian companies who export and produce goods for the developed world need to pay a close attention to compliance with the international standards.

Some of the positive outcomes that can arise when businesses adopt a policy of social responsibility include:

1. Company benefits:

- Improved financial performance;
- Lower operating costs;
- Enhanced brand image and reputation;
- Increased sales and customer loyalty;
- Greater productivity and quality;
- More ability to attract and retain employees;
- Reduced regulatory oversight;
- Access to capital;
- Workforce diversity;
- Product safety and decreased liability.

II.   BENEFITS TO THE COMMUNITY AND THE GENERAL PUBLIC

- Charitable contributions;
- Employee volunteer programmes;
- Corporate involvement in community education, employment and homelessness programmes;
- Product safety and quality.

III.   ENVIRONMENTAL BENEFITS

- Greater material recyclability;
- Better product durability and functionality;
- Greater use of renewable resources;

- Integration of environmental management tools into business plans, including life-cycle assessment and costing, environmental management standards, and eco-labelling.

How companies benefit from the Corporate Social Responsibility concept

No matter the size of an organization or the level of its involvement with Corporate Social Responsibility every contribution is important and provides a number of benefits to both the community and business. Contributing to and supporting Corporate Social Responsibility does not have to be costly or time consuming and more and more businesses active in their local communities are seeing significant benefits from their involvement:

- Reduced costs
- Increased business leads
- Increased reputation
- Increased staff morale and skills development
- Improved relationships with the local community, partners and clients
- Innovation in processes, products and services
- Managing the risks a company faces

IV.   CURRENT STATE OF CSR IN INDIA

Companies have specialized Corporate Social Responsibility teams that formulate policies, strategies and goals for their Corporate Social Responsibility programs and set aside budgets to fund them. These programs are often determined by social philosophy which have clear objectives and are well defined and are aligned with the main stream business. The programs are put into practice by the employees who are crucial to this process. Corporate Social Responsibility programs ranges from community development to development in education, environment and healthcare etc.

For example, a more comprehensive method of development is adopted by some corporations such as Bharath Petroleum, and Hindustan Unilever Limited. Provision of improved medical and Sanitation facilities, building schools and houses, and empowering the villagers and in process making them more self-reliant by providing Vocational training and a knowledge of business operations are the facilities that these corporations focus on. Many of the companies are helping other peoples by providing them good standard of living.

Kingfisher is Europe's largest home improvement retailer, with 1,300 stores and 9,000 employees in 16 countries. Its operating companies include BCC (The Netherlands), Promarkt (Germany), Vanden Borre (Belgium), Darty (France), Comet (UK), B&Q (UK), Koçtas (Turkey) and Réno-Dépôt (Canada).

At the end of 2001, Kingfisher unveiled a group-wide initiative to monitor, improve and report on corporate social responsibility issues at the level of individual companies.

The group has identified six ways in which it believes Corporate Social Responsibility can help its business:

1. **Being ready for the future:** identifying and managing issues which have the potential to affect the bottom line, either positively or negatively;
2. **Respect for people:** making Kingfisher companies attractive places to work, and thereby retaining skilled staff;
3. **Stores that communities welcome:** maximizing customer loyalty and improving morale among the workforce;
4. **Product innovation:** identifying 'green' products that consumers will want to buy;
5. **Saving costs:** recognizing that many CSR initiatives are largely good housekeeping, such as reducing waste and retaining staff more effectively;
6. **Brand:** using innovation and excellence within individual operating companies to enhance the reputation of the group as a whole.

Advantages and Disadvantages to Corporate Social Responsibility

Working in the nonprofit sector, you will encounter things that will alternately excite and frustrate you. Some advantages, like fulfilling work and kind coworkers, can be expected. Many disadvantages, like increased bureaucracy and burnout, often take career changers by surprise. Knowing about both before you make a decision will better prepare you for success.

Advantages

Corporate Social Responsibility, while they may be emotional, personal, mental, physical, and spiritual in nature, the advantages of working in the nonprofit sector far outnumber the disadvantages. Perhaps the best advantage is that it simply feels right to you, right now, to work for something you believe in deeply.

- *Nonprofits employ interesting people.* It is a common misconception that nonprofits have to settle for only those employees willing to work long hours for low pay. On the contrary, nonprofits often get to choose between the best and the brightest candidates and can afford to be picky about who they choose

to employ. There is something to be said for working with people who have chosen to work toward a higher goal.

- *Unparalleled growth opportunities exist.* While three corporate employees may be assigned to one project, one nonprofit employee may find himself assigned to three projects. This can lead to faster career development and more varied job responsibilities for those looking to get ahead quickly.
- *Employees can shift skill sets quickly.* The nonprofit sector loves a generalist. With fewer staff slots than necessary for the work to be done, nonprofits look to employees to multi-task, and multi-task big time. Because of that, nonprofits offer the opportunity for employees to learn new skills and gain experience in areas they have yet to tackle.
- *The opportunity to change the world is around every corner.* Nonprofits have become much more sophisticated. They increasingly look like corporations, eager and able to nimbly respond to opportunities presented by the market. Whether it is a natural disaster half the world away, or a donor down the street who wants the organization to think bigger about its programs, many nonprofits have employed new thinking, technological advances, and a more entrepreneurial approach to become more agile, adept, and prepared.
- *Nonprofits value business skills.* The nonprofit sector is being flooded with people who have spent a day, a year, or a whole career in the for-profit sector and have decided that now is the time for change. The lines between corporate and community are shrinking, and the value of those from each sector is rapidly being understood and capitalized upon by the other.

Disadvantages

- *Work environments can be frustrating.* From antiquated technology to bureaucratic red tape, working at a nonprofit can be downright exasperating. Employees are asked to do more work with fewer resources, create miracles on a daily basis, and satisfy competing interests. The pace of change is often slower than it is in a for-profit environment, given that so many opinions must be considered and the bottom line is not as clear.
- *The level of burnout is high.* Those who enter the nonprofit workforce with a specific mission and goal in mind do so with great purpose. This great purpose often places a heavy weight on the shoulders of those doing the work.
- *The stakes are higher.* A bad day in a corporate job is unlikely to resemble a bad day in a nonprofit job. Consider the difference between losing a few percent off your stock price and losing a mentored young person to drugs. The stakes are simply higher when you are dealing with a cause close to your heart.
- *There is a constant focus on fundraising.* Nonprofit executives wake up every morning and go to bed every night worrying about the location of their next fundraised dollar. This constant pressure leads to certain internal issues going unaddressed until a crisis emerges, takes the chief executive away from the office for long periods of time, and can lend itself to mission drift.

V. CONCLUSION

Over the last years an increasing number of companies worldwide started promoting their business through Corporate Social Responsibility strategies because the customers, the public and the investors expect them to act sustainable as well as responsible. Nonprofit executives wake up every morning and go to bed every night worrying about the location of their next fundraised dollar. The lines between corporate and community are shrinking, and the value of those from each sector is rapidly being understood and capitalized upon by the other. The study includes the evolution over time changes in Indian cultural norms of corporate social responsibility. The study which reviews the four phases which runs with different approaches towards corporate social responsibility. Internationally the government moving towards the certain elements of corporate social responsibility with regards in protection of environment.

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